



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

PL-1  
Mr. Phillips  
13474

B-197803

April 16, 1980

Mr. Donald Cornell  
Owner  
Don's Decorating Service 4386  
299 Belford Drive  
Denver, Colorado 80221

Dear Mr. Cornell:

Enclosed is a copy of our Finding of today that Don's Decorating Service and Donald Cornell, individually, have disregarded [obligations to employees] within the meaning of the Davis-Bacon Act, 40 U.S.C. § 276a (1976), in the performance of a subcontract under contract No. DACA03-77-C-0074 for construction work at the Fitzsimons Army Medical Center, Colorado.

Pursuant to the provisions of section 3(a) of the act, the names of the above individual and firm shall be included on our next published debarred bidders list, and no Government contract shall be awarded to either of them or to any firm, corporation, partnership, joint venture, or association in which they or either of them may have an interest until 3 years have elapsed from that date.

Sincerely yours,

For The Comptroller General  
of the United States

Enclosure

009918

Letter



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-197803

April 16, 1980

FINDING

In the matter of Don's Decorating Service and Donald Cornell, its owner, individually, 299 Belford Drive, Denver, Colorado 80221.

Section 1(a) of the Davis-Bacon Act of August 30, 1935, 49 Stat. 1011, 40 U.S.C. § 276a (1976), provides in part that---

"The advertised specifications for every contract in excess of \$2,000, to which the United States \* \* \* is a party, for construction, alteration, and/or repair, including painting and decorating, of public buildings or public works of the United States \* \* \* and which requires or involves the employment of mechanics and/or laborers shall contain a provision stating the minimum wages to be paid various classes of laborers and mechanics \* \* \* and every contract based upon these specifications shall contain a stipulation that the contractor or his subcontractor shall pay all mechanics and laborers employed directly upon the site of the work, unconditionally and not less often than once a week and without subsequent deduction of payment, computed at wage rates not less than those stated in the advertised specifications, regardless of any contractual relationship which may be alleged to exist between the contractor or subcontractor and such laborers and mechanics \* \* \*."

Section 3(a) of the act provides that---

"\* \* \* the Comptroller General of the United States is further authorized and is directed to distribute a list to all departments of the Government giving the names of persons or firms whom he has found to have disregarded their obligations to employees and subcontractors. No contract shall be awarded to the persons or firms appearing on this list or to any firm, corporation, partnership, or association in which such

persons or firms have an interest until three years have elapsed from the date of publication of the list containing the names of such persons or firms."

Contract No. DACA03-77-C-0074 in excess of \$2,000 for construction work at the Fitzsimons Army Medical Center, Colorado, was awarded by the Department of the Army to Integrated Services Corporation, Denver, Colorado. The contract contained the stipulations and representations required by section 1 of the Davis-Bacon Act. A subcontract for the replacing of interior finishes of building T-509 was awarded to Don's Decorating Service.

An investigation conducted by the Department of the Army disclosed that the subcontractor, Don's Decorating Service, having full knowledge of its statutory and contractual responsibilities, did nevertheless disregard these obligations as evidenced by the deliberate payment of subminimum wage rates to persons employed by it on the subject project. As a result of this investigation two employees were found to have been underpaid a total of \$2,502.70 in violation of the terms of the Davis-Bacon Act. The record also revealed that the certified payrolls submitted to the contracting agency indicated that the two employees in question had been properly paid, whereas the two employees stated that they were not paid the proper wage rate.

By certified letter dated October 4, 1979, the Deputy Administrator, Wage and Hour Division, Department of Labor, notified the above-named subcontractor in detail of the nature and extent of the labor standards violations charged against the firm, but no facts in rebuttal or argument against debarment were submitted by the subcontractor in response to this letter.

It is clear, particularly in light of the falsified payrolls, that good faith was not shown in complying with the act and the contractual provisions. Both the Department of the Army and the Department of Labor have recommended imposition of debarment.

We therefore find that Don's Decorating Service and Donald Cornell, its owner, have disregarded "obligations to employees" within the meaning of the Davis-Bacon Act. Accordingly, these names will be included on a list for

distribution to all agencies of the Government pursuant to the statutory requirements and no contract shall be awarded to them or to any firm, corporation, partnership, joint venture or association, in which they or either one of them have an interest until 3 years have elapsed from the date of publication of such list.

A handwritten signature in cursive script, reading "Milton J. Fowler".

For The Comptroller General  
of the United States